

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-11 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

STR-04 L-03 PRS-01 PA-01 AF-06 ARA-06 AGR-05 XMB-02

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O R 101901Z MAR 76

FM USMISSION OECD PARIS

TO AMEMBASSY VIENNA IMMEDIATE

INFO SECSTATE WASH DC 1021

AMEMBASSY BONN

LIMITED OFFICIAL USE OECD PARIS 07250

PASS AID

E.O. 11652: N/A

TAGS: UNIDO, EAID' OECD, AU

SUBJECT: AUSTRIAN PROPOSAL FOR ASSISTING INDUSTRIAL  
DEVELOPMENT OF DEVELOPING COUNTRIES

REF: VIENNA 1847

1. SUMMARY: IN ANSWER TO VIENNA INQUIRY, U.S. DAC REP  
WAS GUEST AT SMALL INFORMAL LUNCHEON GIVEN BY DAC CHAIR-  
MAN, MAURICE WILLIAMS ON MARCH 5, ALSO ATTENDED BY CHIEF  
AUSTRIAN AID COORDINATOR DR. ZUK AND AUSTRIAN AMBASSADOR  
TO OECD BOBLETER. PROPOSED AUSTRIAN SCHEME FOR  
UTILIZATION OF EXCESS INDUSTRIAL CAPACITY IN DEVELOPED  
COUNTRIES TO BENEFIT LDC'S WAS DISCUSSED, WITH TWO  
PRINCIPAL POINTS REVIEWED. END SUMMARY.

2. DR. ZUK WAS PRIMARILY INTERESTED IN REPORTING THAT  
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FRG AID MINISTER EGON BAHR HAD GIVEN STRONG ENCOURAGE-

MENT TO THE AUSTRIAN PROPOSAL, AND IMPLIED THAT, IN FACT, HE HAD RECEIVED FRG SUPPORT FOR IT DURING ZUK'S PERSONAL CONVERSATION WITH BAHR EARLY IN WEEK OF MARCH L.

3. AUSTRIANS ALSO STEERED DISCUSSION TO SUGGESTION THAT UNIDO COULD SERVE AS THE IMPLEMENTING AGENCY FOR THE SCHEME. WILLIAMS AND ENRICO MACCHIA, SPECIAL COUNSELOR ON DEVELOPMENT TO OECD SECRETARY GENERAL VAN LENNEP, RESPONDED THAT THE SCHEME COULD BE IMPLEMENTED ONLY IF IT WAS RECOGNIZED AS AN EXPANDED EXPORT CREDIT PROGRAM, AND PRESSED AUSTRIANS TO SEE IT IN THAT LIGHT. WILLIAMS ALSO SAID IT COULD BE UNDERTAKEN BY UNIDO OR ANYONE ELSE ONLY IF IT DEALT WITH A VERY FEW HIGHLY-SELECTIVE ITEMS, BUT WILLIAMS RETAINS DOUBTS AS TO ITS PRACTICALITY UNDER ANY CIRCUMSTANCES.

4. IF INDEED BAHR IS CORRECTLY REPORTED IN PARA 2 ABOVE, WE HAVE SEEN NO OTHER EVIDENCE THAT THIS POSITION REALLY REPRESENTS THE CONSIDERED VIEW OF THE GERMAN GOVERNMENT. BONN MAY WISH TO COMMENT FURTHER.

5. WHATEVER THE INTENT OF THE FRG ENCOURAGEMENT, IT WILL APPARENTLY KEEP THE AUSTRIAN PROPOSAL ALIVE FOR RENEWED CONSIDERATION. AUSTRIAN AMBASSADOR BOBLETER SAID EVERYONE KNOWS THESE SCHEMES CAN GO NOWHERE WITHOUT AMERICAN SUPPORT. U.S. REP WITHHELD COMMENT, AS U.S. DID AT THE LAST NORTH/SOUTH AD HOC GROUP MEETING (FEBRUARY 10).

6. AUSTRIAN PROPOSAL WILL BE DISCUSSED AGAIN AT NEXT OECD NORTH/SOUTH AD HOC GROUP MEETING IN PARIS SCHEDULED MARCH 17-18. OECD SECRETARIAT SAYS IT IS ON AGENDA TO GIVE AUSTRIANS FURTHER OPPORTUNITY TO COMMENT ON PROPOSAL AND TO REPLY TO NUMEROUS QUESTIONS CONCERNING IT.

7. AUSTRIANS SEEMED VAGUE ABOUT SOME PRACTICAL ASPECTS OF SCHEME, SIMPLY SAYING THERE ARE VERY COMPLICATED MATTERS INVOLVED. THERE WAS NO DISCUSSION OF POINT THAT IT WOULD TAKE A PROLONGED PERIOD TO GET ANY SUCH SCHEME UNDERWAY AND, IN THE INTERIM, CONDITIONS WOULD BE LIMITED OFFICIAL USE

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CHANGE BOTH IN OECD COUNTRIES AND IN LDC'S.  
TURNER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, INDUSTRIAL DEVELOPMENT, LESS DEVELOPED COUNTRIES, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976OECDP07250  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760091-0017  
**From:** OECD PARIS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 109  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 VIENNA 1847  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 MAR 2004 by ellisoob>; APPROVED <01 APR 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AUSTRIAN PROPOSAL FOR ASSISTING INDUSTRIAL DEVELOPMENT OF DEVELOPING COUNTRIES  
**TAGS:** EAID, AU, UNIDO, OECD  
**To:** VIENNA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006